

City Of Cincinnati Retirement System Investment Committee

Minutes

February 7, 2008 / 12PM
Committee Room B, City Hall

The Chairperson confirmed a quorum and called the meeting to order: 12:05 PM

Present:

Jack Walsh, Chair (Proxy)
Donald Beets
Mike Fehn
Brian Pickering
David Rager
James Robinson
Michael Rachford

Staff Present:

John Boudinot
Cheryl Volk - Recorder

Absent

M. Klug

THE CRS INVESTMENT CONSULTANT, MARQUETTE ASSOCIATES, BRETT CHRISTENSON, MANAGING DIRECTOR PROVIDED THE FOLLOWING REPORTS AND RECOMMENDATIONS

4TH QUARTER REPORT

M. Christenson provided a report outlining:

- 1) Domestic Economy
- 2) Fixed Income Markets
- 3) U.S. Equity Markets
- 4) International Equity Markets
- 5) Global Economy
- 6) Real Estate Markets
- 7) Private Equity and Hedge Fund Markets

Report also noted:

- Smith & Graham remains on alert status
- Montag and Caldwell performance was strong in 2007
- 2007 Annual Investment Performance net after fees was 7.8%
- CRS ranks 27th percentile compared to all public funds and 41st percentile compared to all funds over \$1 billion
- The Fund's positive financial outcomes have resulted from diversifying asset allocations
- B. Christenson to provide an educational session on "portable alpha" in June

Following a question and answer session, members requested additional education including financial terms and defining language. B. Christenson to provide.

Recommendation:

1. Place Black Rock on Alert Status, due to investment professional turnover
2. Conduct manager search for mid cap/small cap allocation

Committee Action

D. Rager made a motion to approve the Investment Consultant's recommendation to move Black Rock to Alert Status. B. Pickering seconded the motion and the motion was carried by the committee. Forwarded to the Board of Trustees for approval.

Marquette and Associates will conduct a manager search for small/mid cap managers. The June Investment Committee meeting to begin with a one-hour educational session regarding "portable alpha" followed by the Board's interview of 3 or 4 managers.

Members recommended a summary of the Marquette report be provided to the City Council Members on a quarterly basis. B. Christenson and J. Boudinot to provide.

B. Pickering made motion to adjourn, seconded by D. Beets. Motion carried by Committee.

Meeting Adjourned: 1:45 PM